

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN AND WESTERN DISTRICTS OF TEXAS  
WESTERN DIVISION**

CASE NAME: 7400 South Congress, LLC

PETITION DATE: November 4, 2019

CASE NUMBER: 19-11530-TMD

**MONTHLY OPERATING REPORT SUMMARY FOR MONTH**

**YEAR** 2019

MONTH	November 2019							
REVENUES (MOR-6)	0.00							
INCOME BEFORE INT; DEPREC./TAX (MOR-6)	0.00							
NET INCOME (LOSS) (MOR-6)	0.00							
PAYMENTS TO INSIDERS (MOR-9)	0.00							
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00							
TOTAL DISBURSEMENTS (MOR-8)	0.00							

\*\*\*The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

REQUIRED INSURANCE MAINTAINED		EXP.	CHECK ONE	
AS OF SIGNATURE DATE*			DATE	
CASUALTY	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	05/31/20	Are all accounts receivable being collected within terms?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
LIABILITY	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	05/31/20	Are all post-petition liabilities, including taxes, being paid within terms?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
VEHICLE	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	05/31/20	Have all tax returns and other required government filings been timely paid?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
WORKER'S	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	05/31/20	Have any pre-petition liabilities been paid?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
OTHER - Umbrella	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	05/31/20	If so, describe _____	
			Are all funds received being deposited into Debtor in Possession bank accounts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
			Were any assets disposed of outside the normal course of business?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
			If so, describe _____	
			Are all U.S. Trustee Quarterly Fee Payments current?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
What is the status of your Plan of Reorganization? <u>To be submitted by plan filing date.</u>				

ATTORNEY NAME: Morris D. Weiss  
FIRM NAME: Waller Lansden Dortch & Davis LLP  
ADDRESS: 100 Congress Ave., 18th Floor  
CITY, STATE, ZIP: Austin, TX 78701  
TELEPHONE/FAX: 512-685-6400/512-685-6417  
[morris.weiss@wallerlaw.com](mailto:morris.weiss@wallerlaw.com)

INITIALS \_\_\_\_\_  
DATE \_\_\_\_\_  
UST USE ONLY

I certify under penalty of perjury that the following complete  
Monthly Operating Report (MOR), consisting of MOR-1 through  
MOR-9 plus attachments, is true and correct.  
  
SIGNED \_\_\_\_\_ TITL/TITLE: \_\_\_\_\_ President  
(ORIGINAL SIGNATURE)  
Natin Paul  
(PRINT NAME OF SIGNATORY)

MOR-1

CASE NAME: 7400 South Congress, LLC

CASE NUMBER: 19-11530-TMD

## COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH November 2019	MONTH	MONTH	MONTH	MONTH	MONTH
<b>CURRENT ASSETS</b>							
Cash	0.00	0.00					
Accounts Receivable, Net							
Inventory: Lower of Cost or Market							
Prepaid Expenses							
Investments							
Other - Retainer Waller Lansden	25,000.00	25,000.00					
<b>TOTAL CURRENT ASSETS</b>	<b>25,000.00</b>	<b>25,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>PROPERTY, PLANT &amp; EQUIP. @ COST</b>	<b>3,686,852.00</b>	<b>3,686,852.00</b>					
Less Accumulated Depreciation							
<b>NET BOOK VALUE OF PP &amp; E</b>	<b>3,686,852.00</b>	<b>3,686,852.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>OTHER ASSETS</b>							
1. Tax Deposits							
2. Investments in Subsidiaries							
3.							
4.							
<b>TOTAL ASSETS</b>	<b>\$3,711,852.00</b>	<b>\$3,711,852.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

MOR-2

\* Per Schedules and Statement of Financial Affairs

Revised 11/08/05

CASE NAME: 7400 South Congress, LLC

CASE NUMBER: 19-11530-TMD

## COMPARATIVE BALANCE SHEETS

<b>LIABILITIES &amp; OWNER'S EQUITY</b>	FILING DATE*	MONTH November 2019	MONTH	MONTH	MONTH	MONTH	MONTH
<b>LIABILITIES</b>							
POST-PETITION LIABILITIES(MOR-4)		0.00					
PRE-PETITION LIABILITIES							
Notes Payable - Secured (see note)	18,575,000.00	18,575,000.00					
Priority Debt	38,950.00	38,950.00					
Federal Income Tax							
FICA/Withholding							
Unsecured Debt	71,072.50	71,072.50					
Other							
TOTAL PRE-PETITION LIABILITIES	18,685,022.50	18,685,022.50	0.00	0.00	0.00	0.00	0.00
<b>TOTAL LIABILITIES</b>	<b>18,685,022.50</b>	<b>18,685,022.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>OWNER'S EQUITY (DEFICIT)</b>							
PREFERRED STOCK							
COMMON STOCK							
ADDITIONAL PAID-IN CAPITAL							
RETAINED EARNINGS: Filing Date	(14,973,170.50)	(14,973,170.50)					
RETAINED EARNINGS: Post Filing Date							
TOTAL OWNER'S EQUITY (NET WORTH)	(14,973,170.50)	(14,973,170.50)	0.00	0.00	0.00	0.00	0.00
<b>TOTAL LIABILITIES &amp; OWNERS EQUITY</b>	<b>\$3,711,852.00</b>	<b>\$3,711,852.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**MOR-3**

\* Per Schedules and Statement of Financial Affairs

Revised 11/08/05

CASE NAME: 7400 South Congress, LLC

CASE NUMBER: 19-11530-TMD

**SCHEDULE OF POST-PETITION LIABILITIES**

	MONTH November 2019	MONTH	MONTH	MONTH	MONTH	MONTH	TOTAL
<b>TRADE ACCOUNTS PAYABLE</b>							
TAX PAYABLE							
Federal Payroll Taxes							
State Payroll Taxes							
Ad Valorem Taxes							
Other Taxes							
TOTAL TAXES PAYABLE							
SECURED DEBT POST-PETITION							
ACCRUED INTEREST PAYABLE							
ACCRUED PROFESSIONAL FEES*	0.00						0.00
OTHER ACCRUED LIABILITIES TO INSIDERS							
1.							
2.							
3.							
<b>TOTAL POST-PETITION LIABILITIES (MOR-3)</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

\*Payment requires Court Approval

**MOR-4**

Revised 11/08/05

CASE NAME: 7400 South Congress, LLC

CASE NUMBER: 19-11530-TMD

**AGING OF POST-PETITION LIABILITIES**  
**MONTH: NOVEMBER 2019**

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	OTHER
0-30	0.00	0.00				
31-60	0.00					
61-90	0.00					
91+	0.00					
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**AGING OF ACCOUNTS RECEIVABLE**

MONTH	November 2019					
0-30 DAYS						
31-60 DAYS						
61-90 DAYS						
91+ DAYS						
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**MOR-5**

*Revised 11/08/05*

CASE NAME: 7400 South Congress, LLC

CASE NUMBER: 19-11530-TMD

**STATEMENT OF INCOME/(LOSS)**

	MONTH November 2019	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO DATE
REVENUES (MOR-1)								0.00
TOTAL COST OF REVENUES								0.00
GROSS PROFIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>OPERATING EXPENSES:</b>								
Selling & Marketing								0.00
General & Administrative								0.00
Insiders Compensation								0.00
Professional Fees (1)								0.00
Other								0.00
Other								0.00
<b>TOTAL OPERATING EXPENSES</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INCOME BEFORE INT, DEPR/TAX (MOR-1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INTEREST EXPENSE								0.00
DEPRECIATION								0.00
OTHER (INCOME) EXPENSE*								0.00
OTHER ITEMS**								0.00
<b>TOTAL INT, DEPR &amp; OTHER ITEMS</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INCOME BEFORE TAXES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FEDERAL INCOME TAXES								0.00
<b>NET INCOME (LOSS) (MOR-1)</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Accrual Accounting Required, Otherwise Footnote with Explanation.

\* Footnote Mandatory.

\*\* Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

Note 1 - See Endnote titled "Professional Fees".

**MOR-6**

Revised 11/08/05

CASE NAME: 7400 South Congress, LLC

CASE NUMBER: 19-11530-TMD

CASH RECEIPTS AND DISBURSEMENTS	MONTH November 2019	MONTH	MONTH	MONTH	MONTH	MONTH	SIX MONTH TO DATE
1. CASH-BEGINNING OF MONTH	\$0.00						\$0.00
<b>RECEIPTS:</b>							
2. CASH SALES							0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE							0.00
4. LOANS & ADVANCES (attach list)							0.00
5. SALE OF ASSETS (1)							0.00
6. OTHER (attach list)							0.00
TOTAL RECEIPTS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Withdrawal) Contribution by Individual Debtor MFR-2*							0.00
<b>DISBURSEMENTS:</b>							
7. NET PAYROLL							0.00
8. PAYROLL TAXES PAID							0.00
9. SALES, USE & OTHER TAXES PAID							0.00
10. SECURED/RENTAL/LEASES							0.00
11. UTILITIES & TELEPHONE							0.00
12. INSURANCE							0.00
13. INVENTORY PURCHASES							0.00
14. VEHICLE EXPENSES							0.00
15. TRAVEL & ENTERTAINMENT							0.00
16. REPAIRS, MAINTENANCE & SUPPLIES							0.00
17. ADMINISTRATIVE & SELLING							0.00
18. ADEQUATE PROTECTION PAYMENT(S)							0.00
19. OTHER (attach list)							0.00
<b>TOTAL DISBURSEMENTS FROM OPERATIONS</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19. PROFESSIONAL FEES							0.00
20. U.S. TRUSTEE FEES							0.00
21. OTHER REORGANIZATION EXPENSES							0.00
<b>TOTAL DISBURSEMENTS**</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22. NET CASH FLOW	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23. CASH - END OF MONTH (MOR-2)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

\* Applies to Individual debtors only

\*\*Numbers for the current month should balance (match)

CASE NAME: 7400 South Congress, LLC

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SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS	MONTH November 2019	MONTH	MONTH	MONTH	MONTH	MONTH	MONT SIX MONTHS TO DATE
OTHER RECEIPTS (MOR7):							
							0.00
							0.00
							0.00
							0.00
							0.00
TOTAL OTHER RECEIPTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER DISBURSEMENTS (MOR 7):							0.00
TOTAL OTHER DISBURSEMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER REORGANIZATION EXPENSES							0.00
Trustee Bond							0.00
TOTAL DISBURSEMENTS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00

SUPP MOR-7

*Revised 11/08/05*

CASE NAME: 7400 South Congress, LLC

CASE NUMBER: 19-11530-TMD

**CASH ACCOUNT RECONCILIATION**  
**MONTH OF:** November 2019

BANK NAME	Mechanics Bank				
ACCOUNT NUMBER	# 3066	#	#		
ACCOUNT TYPE	OPERATING	PAYROLL	TAX	OTHER FUNDS	TOTAL
BANK BALANCE	\$0.00				\$0.00
DEPOSITS IN TRANSIT					0.00
OUTSTANDING CHECKS					0.00
ADJUSTED BANK BALANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BEGINNING CASH - PER BOOKS	\$0.00				\$0.00
RECEIPTS*					0.00
TRANSFERS BETWEEN ACCOUNTS					0.00
(WITHDRAWAL) CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2					0.00
CHECKS/OTHER DISBURSEMENTS*					0.00
ENDING CASH - PER BOOKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**MOR-8**

\*Numbers should balance (match) TOTAL RECEIPTS and  
 TOTAL DISBURSEMENTS lines on MOR-7

Revised 11/08/05

**CASE NAME:** 7400 South Congress, LLC

**CASE NUMBER:** 19-11530-TMD

## **PAYMENTS TO INSIDERS AND PROFESSIONALS**

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

**MOR-9** \* All professional fees are subject to court approval. See Endnote titled "Professional Fees".

Revised 11/08/05

## Endnotes

**General** On November 4, 2019 (the "Petition Date"), 5th and Red River, LLC, Case No. 19-11529, 900 Cesar Chavez, LLC, Case No. 19-11527, 905 Cesar Chavez, LLC, Case No. 19-11528, and 7400 South Congress, LLC, Case No. 19-11530 (each a "Debtor," collectively, the "Debtors") filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). On November 13, 2019, the Bankruptcy Court entered an *Order Granting Motion for Joint Administration* directing the procedural consolidation and joint administration of the Debtors' chapter 11 cases [Docket No. 6].

**Secured Debt** It should be noted that the Debtors are jointly and severally liable and collectively owe one debt to its lender, U.S. Real Estate Credit Holdings III-A, LP, in the approximate amount of \$18.5MM. Each Debtor reflects the full amount of the referenced debt, but it is only one obligation. Nothing herein is intended or should be construed to concede that ATX Lender 5, LLC is the current holder of the secured debt.

**Professional Fees** Due to the joint administration of the Debtors cases, all professional fees have been reported on the Monthly Operating Report of 900 Cesar Chavez, LLC.